

AMENDED IN ASSEMBLY MAY 27, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2358**

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**Introduced by Assembly Members Bigelow and Wood**

February 18, 2016

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An act to amend Section 14838.5 of the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL’S DIGEST

AB 2358, as amended, Bigelow. Public contracts: small business contracts.

The Small Business Procurement and Contract Act permits a state agency to award a contract for goods, services, or information technology with an estimated value of between \$5,000 and \$250,000 to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, without complying with specified competitive bidding requirements.

This bill would increase the upper limit of the value of those contracts to ~~\$500,000~~ *\$300,000*.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 14838.5 of the Government Code is
- 2 amended to read:
- 3 14838.5. (a) Notwithstanding the advertising, bidding, and
- 4 protest provisions of Chapter 6 (commencing with Section 14825)
- 5 of this part and Chapter 2 (commencing with Section 10290) and

1 Chapter 3 (commencing with Section 12100) of Part 2 of Division  
2 2 of the Public Contract Code, a state agency may award a contract  
3 for the acquisition of goods, services, or information technology  
4 that has an estimated value of greater than five thousand dollars  
5 (\$5,000), but less than ~~five~~ *three* hundred thousand dollars  
6 (~~\$500,000~~), (*\$300,000*), to a certified small business, including a  
7 microbusiness, or to a disabled veteran business enterprise, as long  
8 as the agency obtains price quotations from two or more certified  
9 small businesses, including microbusinesses, or from two or more  
10 disabled veterans business enterprises.

11 (b) In carrying out subdivision (a), a state agency shall consider  
12 a responsive offer timely received from a responsible certified  
13 small business, including a microbusiness, or from a disabled  
14 veteran business enterprise.

15 (c) If the estimated cost to the state is less than five thousand  
16 dollars (\$5,000) for the acquisition of goods, services, or  
17 information technology, or a greater amount as administratively  
18 established by the director, a state agency shall obtain at least two  
19 price quotations from responsible suppliers whenever there is  
20 reason to believe a response from a single source is not a fair and  
21 reasonable price.